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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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DOGM
MINERALS PROGRAM
FILE COPY

March 1, 1989

CERTIFIED RETURN RECEIPT P 001 771 212

Mr. Jerry Glazier
5M, Incorporated
P.O. Box 752
Hurricane, Utah 84737

Dear Mr. Glazier:

Re: Notice of Tentative Approval, Final Reclamation Plan, 5M, Incorporated, Silver Reef Mine, M/053/002, Washington County, Utah

We have completed our review of your February 13, 1989 letter. 5M, Incorporated has now provided written acceptance to the conditions as outlined in review letters dated January 23, 1989, and August 11, 1988, from the Division.

In reply to your written exceptions to total concurrence with the Division's conditions, we have the following comments:

1. Yes, the reclamation surety can be reduced by having all transformers tested for PCB contaminants. A copy of the certified laboratory test results must also be provided confirming that none of these contaminants are present.
2. The reclamation suspension period can extend for a minimum ten (10) year time period from the date of the last active onsite mining operations. It is our understanding that the mine was last active during 1984. If this is correct, then operations may remain suspended through 1994. Any extensions beyond this timeframe will require formal approval of the Board of Oil, Gas and Mining.

It is important to note, that this provision is conditioned upon the operator performing appropriate onsite maintainance as necessary to keep the minesite in an environmentally safe and stable condition.

3. The operator must identify the topsoil borrow sites on an updated surface facilities map before they are disturbed for final reclamation purposes.
4. The disposal of toxic or hazardous materials must be conducted according to pertinent local, county and/or State Health Department requirements (whichever is most applicable).

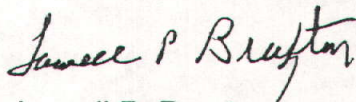
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Mr. Jerry Glazier
M/053/002
March 1, 1989

As previously outlined in Division letters dated March 10, 1988 April 4, 1988, and January 23, 1989 to 5M, Inc., the operator will have 60 days following the Division's issuance of tentative approval of the reclamation plan to post the reclamation surety (i.e., until May 1, 1989). The \$46,790 surety must be provided before final approval of the **reclamation plan** can be issued.

The Division will now forward a tentative approval notice to the appropriate newspaper agencies. Upon publication, a 30-day public comment period commences. The Division will be prepared to request formal approval from the Board of Oil, Gas and Mining on the amount and form of the reclamation surety provided no substantive public comments are received during the 30-day time period, and provided all of the permit conditions have been adequately resolved by 5M, Inc., including receipt of the reclamation surety.

Thank you for your cooperation in completing this permitting action. Please contact me or D. Wayne Hedberg of my staff should you have questions or concerns regarding the content of this letter. We have attached a copy of our Reclamation Contract (FORM MR-RC) which should be used by 5M, Inc. when submitting your reclamation surety.

Sincerely,



Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

jb
Attachments
cc: Don Ostler, BWPC
Scott Spooner, BLM, Dixie Resource Area
Minerals Team
MN3/43-44